GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

STARRED QUESTION NO:507
ANSWERED ON:10.05.2007
SUPPLY OF POWER PROJECT EQUIPMENTS BY BHEL
Acharia Shri Basudeb

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether some public sector undertakings (PSUs) have raised the issue of delayed supply of power project equipments by BHEL;

(b) if so, the details thereof;

(c) whether the matter of delayed supply has been examined;

(d) if so, the details thereof and the action taken/proposed to be taken in this regard;

(e) whether the Government has taken initiatives to expand the work area of BHEL; and

(f) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV)

(a) to (f): A Statement is laid on the Table of the House.

STATEMENT

Statement referred to in reply to parts (a) to (f) of the Lok Sabha Starred Question No.507 for answer on 10.5.2007 regarding supply of power project equipments by BHEL raised by Shri Basudeb Acharya.

(a) to (f): Out of 19 projects contracted to BHEL in Tenth Five Year Plan by National Thermal Power Corporation (NTPC) and Damodar Valley Corporation (DVC), BHEL has received communication from these two organizations about delay in six projects. There is no delay in thirteen projects. Out of remaining six projects 2 projects have been completed with delay of between 2-4 months and the rest four projects are under execution. Over the years, BHEL has successfully reduced the project execution cycle time of all power projects, particularly for 500 MW the time has been reduced from 54 months to 36 months and for 210 MW from 48 months to 27 months. However, due to bunching of orders in the last 2 years of Tenth Plan by customers including NTPC and also due to delay in customer inputs, uncertain law and order situation and worldwide shortage of imported components required for some equipment manufacturing, some projects had marginal time over-run.

In order to avoid such delay in future, BHEL has initiated major steps which include:

Widening Vendor Base
Advance Manufacturing Action (AMA) for long lead items
Bulk procurement
Addition of tools and plants for erection at site
Erection agency base enhancement
Standardization of materials
Rate contract with Vendors
Three shift operations and outsourcing of low technology manufacturing
Availing services of retired erection/commissioning specialists.

In order to meet the demands of Eleventh and Twelfth Five Year Plans in power generation, BHEL is in the process of augmenting its manufacturing capacity from 6,000 MW to 10,000 MW by December, 2007 and to 15,000 MW during the Eleventh Plan. BHEL has also tied up with the major technology providers in the world for acquiring the capability for manufacturing supercritical thermal sets and advance class gas turbines.